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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## COTTON GROWERS' EXCHANGE MOVES TO MEMPHIS

It is announced that the transfer of the executive offices of the American Cotton Growers' Exchange from Dallas, Texas, to Memphis, Tenn., will take place in July. A suite of twelve offices has been secured in the new Cotton Exchange Building. The offices of the Tennessee Cotton Growers' Association are to be located in the same building.

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## PRELIMINARY REPORTS FROM TOBACCO ASSOCIATIONS

Preliminary reports from six of the seven big tobacco marketing associations, regarding the number of pounds of tobacco of the 1923 crop handled, indicate that a somewhat larger quantity is being marketed cooperatively this season than last. The figures for the organizations reporting are given below for the 1922 and 1923 tobacco crops:

Association	Amount of Tobacco Handled	
	1922 crop	1923 crop
	(Lbs.)	(Lbs.)
Burley Tobacco Growers' Cooperative Assn., Lexington, Ky.	196,978,673	244,500,000
Dark Tobacco Growers' Cooperative Assn., Hopkinsville, Ky.	175,000,000	148,746,000
Tobacco Growers' Cooperative Assn., Raleigh, W. C.	163,000,000	180,000,000
Northern Wisconsin Cooperative Tobacco Pool, Madison, Wis.	30,630,692	25,000,000
Connecticut Valley Tobacco Assn., Hartford, Conn.	27,000,000	- - - - -
Maryland Tobacco Growers' Assn., Baltimore, Md.	9,000,000	14,700,000
Miami Valley Tobacco Growers' Assn., Dayton, Ohio	- - - - -	25,000,000

About 50% of the tobacco of the 1922 crop was handled cooperatively.

### EXTENSIVE ADVERTISING BY FRUIT GROWERS

A list of the 75 leading magazine advertisers of 1923, recently published, includes two fruit growers' associations. The 33d place on the list is occupied by the Sun-Maid Raisin Growers' Association, Fresno, Calif., and the 63d by the California Fruit Growers' Exchange, Los Angeles.

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### MINNESOTA POTATO GROWERS' EXCHANGE NOW FUNCTIONING

According to present plans of the Minnesota Potato Growers' Exchange, the newly formed operating personnel is to consist of a general manager; a director of finance and accounting; a director of warehousing, grading and inspection; a director of seed department; and a director of publicity and advertising.

General policies will be formulated by a board of seven directors selected by trustees representing the county associations, with their own boards of directors and officers. Meetings are now being held in the potato producing sections relative to the establishment of warehouses for use in handling the 1924 crop.

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### JERSEY FRUIT GROWERS PLAN TO CUT DOWN MARKETING WASTE

Elimination of wasteful methods of marketing early apples and peaches, is one of the ends toward which the cooperative fruit growers of central and southern New Jersey are directing their efforts. As a part of this program the Jersey Fruit Growers' Cooperative Association has enlarged its packing house facilities and is employing additional experienced personnel to work with the growers for a finer quality of fruit. A packing house unit has been added for the accommodation of the peach-growing area around Hammonton.

An association inspector at the packing houses, in addition to the state inspector, has been arranged for by the growers. The association inspector will supervise the packing at all the packing houses throughout the New Jersey belt, in order that uniformity may be maintained regardless of the particular area from which the fruit may come. It is estimated that one-third of the early apples and more than one-fifth of the total peach crop of the state is now marketed by cooperative growers.

Efforts to shorten the time of delivery to consumers are being made by the New Jersey State Bureau of Markets and the New Jersey County Boards of Agriculture, and the Jersey Fruit Growers' Cooperative association is taking an active part in the correlation of the required data.

NUMBER OF BALES OF COTTON HANDLED COOPERATIVELY

Preliminary figures indicate that 927,893 bales of cotton of the 1923 crop were handled through fourteen centralized cooperative associations, as against 759,429 bales of the 1922 crop handled through four associations.

The first of the large statewide associations formed for the handling of cotton was the Oklahoma Cotton Growers' Association, which was organized about April 30, 1921. Associations similar to the Oklahoma organization were formed in the long-staple district of Mississippi, in Texas, and in Arizona, in time to handle cotton of the 1921 crop. Similar associations were formed in the other cotton states during the succeeding years. There are two associations in Mississippi, one handling principally long-staple cotton, and the other short-staple, also two associations in Arkansas, one affiliated with the state associations united in the American Cotton Growers' Exchange, and the other affiliated with the Farmers' Union.

The number of bales of cotton reported as being handled by the associations in the different states for the crops produced in 1921, 1922 and 1923, are as given below:

Association	Number of Bales in thousands		
	1921	1922	1923
Alabama Farm Bureau Cotton Association	- -	57.4	65.3
Arizona Pima Cotton Growers	10.7	10.2	7.9
Arkansas Cotton Growers' Cooperative Assn.	- -	68.5	37.8
Arkansas Farmers' Union Cotton Growers' Association	- -	- -	3.3
Georgia Cotton Growers' Cooperative Assn.	- -	53.9	70.8
Louisiana Farm Bureau Cotton Growers' Cooperative Association	- -	- -	29.9
Staple Cotton Cooperative Association	156.4	168.0	107.4
Mississippi Farm Bureau Cotton Association	- -	- -	33.8
Missouri Cotton Growers' Cooperative Assn.	- -	- -	3.7
North Carolina Cotton Growers' Cooperative Association	- -	135.8	130.5
Oklahoma Cotton Growers' Association	92.2	65.9	118.7
South Carolina Cotton Growers' Cooperative Association	- -	121.8	121.1
Tennessee Cotton Growers' Association	- -	- -	15.1
Texas Farm Bureau Cotton Association	100.2	77.7	182.3
Total	359.5	759.2	927.6

The cotton handled by the four associations in 1921-22 was 4.5% of the total 1921 crop; the 759,429 handled by nine associations in 1922-23 was 7.8% of the 1922 crop; and the 927,893 bales handled by fourteen associations in 1923-24 was 9.1% of the total 1923 crop.



SETTLEMENT MADE FOR ARIZONA COTTON

Members of the Arizona Pimacotton Growers' Association, Phoenix, Ariz., recently received checks totaling about \$300,000 in final settlement for cotton delivered the past season, with the exception of No. 5 Pima which is still unsold and will be settled for later. A detailed statement and explanatory letter accompanied each check. The statement shows that the handling charge for the year, including drayage, storage, insurance, interest, etc., amounted to .66¢ per pound, and the association expense, including office salaries, supplies, rent, etc., amounted to .36¢ per pound, making a total expense to the members of 1.02¢ per pound. As the average weight per bale was 496 pounds, the average expense for handling charges and office expense came to \$5.06 per bale, as compared with a total the previous season of \$10.34 per bale.

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LOUISIANA COTTON ASSOCIATION COMPLETES FIRST YEAR.

After somewhat less than one year of operation the Louisiana Farm Bureau Cotton Growers' Cooperative Association, Shreveport, La., reports that it has received 29,885 bales of cotton from 3,463 members. This cotton was received in 6,977 separate shipments, making the average slightly less than four and one-third bales to a shipment. Advances to members thus far have amounted to \$3,029,037, requiring the issuance of 10,500 checks.

Sales of cotton on April 30 had reached a total of \$1,809,252 and operating expenses had amounted to \$60,046.

Officials of the association pride themselves upon the smallness of the office force with which this large amount of business is handled, 20 persons being employed in March. They are also proud of their record of \$.9801 per bale for operating expenses for the period involved. A comparative statement of operating expenses prepared by the systems department of the American Cotton Growers' Exchange, shows this figure to be next to the lowest of any of the statement was \$.9477 per bale, and the highest was \$2.3113. The Alabama and Louisiana associations were the only ones which showed an expense of less than one dollar per bale.

Out of approximately \$3,490,000 borrowed by the association through the banks, all but \$625,000 was secured from the banks of the state, and practically all was secured at the low rate of 5 1/2%. In addition to the funds secured from the banks the association has borrowed from its members to the amount of \$747,176, and notes to that amount are outstanding.

Prices received for cotton averaged 29.57¢. As the cotton produced runs 133 points below middling basis, the actual price based on middling, is figured at 30.50¢ net. Unsold cotton amounts to 11,058 bales, of which 678 bales are staple cotton.

FIRST WHEAT FOR NEW POOL RECEIVED

The first wheat for the 1924 pool of the Oklahoma Wheat Growers' Association, Enid, Okla., was received June 13. During the season just closed 6,000,000 bushels were handled, as against 3,250,000 for the preceding year. It is expected that the association will handle 10,000,000 bushels of the 1924 crop. Over 4,000 new members were added during the past season, which makes the present membership of the association over 12,000.

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FINAL PAYMENTS MADE TO COLORADO WHEAT GROWERS

Checks for final settlement for the 1923 wheat pool have been sent to members of the Colorado Wheat Growers' Association, Denver, Colo. According to the auditor's report, the deductions amounted to 12¢ a bushel, exclusive of freight. As 2¢ of this was for a reserve and 2¢ was a farm storage credit, the actual expenses were approximately 8¢, made up as follows: terminal charges, 3.7¢; American Wheat Growers' Association, .5¢; interest, .6¢; organization, .2¢; administration, 2.5¢; storage, .4¢.

This is less than it cost the association last year to handle wheat. Final settlement was made on the basis of Government grades and protein content.

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THREE KANSAS WHEAT ORGANIZATIONS COMBINE

Amalgamation has been completed of the Kansas Cooperative Wheat Marketing Association, Wichita, Kan., the Farmers' Union Cooperative Wheat Marketing Association, Kansas City, Kan., and the Kansas Wheat Growers' Association, Wichita, and they are now one and the same. It is expected that the new organization, the Kansas Cooperative Wheat Marketing Association, will handle a larger quantity of wheat this season than has ever been handled by any one farm organization. For the present all business will be handled through the office of the Kansas Wheat Growers' Association at Wichita, the entire office and its personnel having been taken over by the new company.

Arrangements have been made for the Kansas Wheat Growers' Association to handle the wheat until the membership of the Kansas Cooperative Wheat Marketing Association shall exceed the membership of the Kansas Wheat Growers' Association, after which the new organization shall assume charge. This plan was made in the interest of economy as the object of the organization is to handle wheat at the lowest possible cost and to sell it at the highest possible price.

DOUBLE ORGANIZATION FOR MARKETING GRAIN

At Okeana, Ohio, a grain-marketing plan based on the double organization idea, is being worked out. A membership marketing association with 158 members who have signed a five-year contract to deliver their grain to the association, has been created. Paralleling this association is a capital stock elevator company, composed of 100 of the same farmers, who have subscribed for capital stock to the amount of \$15,000. The membership association will contract with the elevator company to receive and handle the grain. In addition the elevator company will handle supplies needed by farmers.

The membership association holds the contracts requiring delivery of grain and the elevator company holds title to such physical property as may be needed to handle the grain efficiently.

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INCREASED BUSINESS AND INCREASED PRICE REPORTED

All large increase in the volume of milk handled during the year and a substantial increase in the average prices, were two pleasing features of the work of the Dairymen's Cooperative Sales Company, Pittsburgh, Pa., reported at the annual meeting of the advisory council, held at Youngstown, Ohio, June 6. This meeting was largely attended and was marked by earnest, free discussion. It was considered "the most interesting and beneficial of any meeting held to date."

The report of the marketing department covered the second year's work of that department, closing April 30, 1924, and presented comparative figures for the two years. The figures for pooled milk and prices, are as follows:

Year	: Milk Received	: Price per Cwt.	: Receipts of Producers
	: (Lbs.)	:	:
1923-24	: 370,676,035	: \$2.6774	: \$9,924,391
1922-23	: 311,702,550	: 2.3901	: 7,450,012
Increase	: 58,973,535	: .2873	: 2,474,379

Practically 90% of all the milk handled in the principal markets of the Pittsburgh Valley during the past season was handled by the Dairymen's Cooperative Sales Company. This area includes eastern Ohio, western Pennsylvania, with the exception of Erie County, and northern West Virginia. Of all milk handled last year more than 48% fell within Class I and more than 42% within Class II. When the system first started operations there were four districts, Pittsburgh, Youngstown, Wheeling, and Ashtabula. Under the marketing plan adopted two years ago it was necessary to redistrict the territory according to geographical boundaries, available markets, and transportation facilities, and there are now seven districts.



DAIRY PRODUCTS SOLD FOR SEVENTY-FIVE MILLION DOLLARS

Eight hundred ninety-seven locals, with a total membership of 66,443, were represented by delegates at the fifth annual meeting of the Dairymen's League Cooperative Association, held at Utica, N. Y., June 19. The all-day session was also attended by representatives of many banks of New York City and other cities throughout the state, by agricultural leaders and by dairy farmers and their wives from all parts of league territory. Annual reports for the fiscal year ending March 31, 1924, showed that the gross sales of the association for the year had amounted to \$75,132,463; the total amount of milk handled was 3,095,000,000 pounds; and the value of the plants and equipment, less depreciation and mortgages, was \$5,372,690. At present the league has 185 plants, of which 156 are farmer owned and 29 are leased.

The great agricultural enterprise known as the Dairymen's League Cooperative Association, Inc., had its beginning in Orange County, New York State, in 1907 when 500 dairy farmers, owning 14,719 cows, formed an organization known as the Dairymen's League. During its first seven years its membership increased to 15,000, the league functioning as a bargaining association. In September of 1916 the league served notice that, beginning October 1, it would sell the milk of its members. The distributors refused to deal with the league and a milk producers' strike, lasting eleven days, followed. The "war" resulted in the signing by the milk distributors of the contract offered by the league. Membership increased rapidly. At a mass meeting of members, held in March, 1919, it was decided to adopt a "pooling plan" whereby there would be uniform prices for the same quality of milk delivered under specified conditions. The signing of individual pooling contracts was begun and continued until May 1, 1921, when the 50,000 producers who had signed the contract up to that time, put the so-called "pooling plan" into general operation under the name of the Dairymen's League Cooperative Association, Inc., a noncapital stock, non profit corporation organized under the laws of the State of New York.

The figures which tell the story of the organization from May 1, 1921, are given below:

Year ending	Member Contracts	Milk	Gross
March 31	in Force	Handled	Sales
	(Number)	(Lbs.)	
1921	50,843 2/	- - - - -	- - - - -
1922	55,050 2/	2,565,476,805	\$61,939,135
1923	64,251 2/	3,359,273,358	82,150,902
1924	68,878 3/	3,045,000,000	75,132,463
Total		9,019,750,163	219,202,505

1. May 1.
2. April 1.
3. March 31. Withdrawals effective with close of year, 5,124.

In 1921 the league operated 22 owned plants and 7 which were leased; in 1922 it operated 84 plants; in 1923, 117 plants; and is now operating 185 plants of which 136 are owned by the league.

During the past year dairy products were sold in 31 states and several foreign countries. The best foreign markets were found in South Africa and Germany, 218,000 cases of canned milk products being marketed in the latter named country. Division sales offices were maintained in Boston, Philadelphia, Richmond, Atlanta, New Orleans, and Dallas. Over 12,000 active retail accounts were carried in New York City. One hundred six regular salesmen, scattered over the face of the earth, were employed in selling the output of the league.

The sale of bulk goods, consisting of whole condensed milk, skim condensed milk, spray powder and roller powder, increased from 7,700,000 pounds for the previous year to 10,200,000 for the year just closed. Ice cream sales increased from 444,000 gallons to 602,000 gallons.

Sales from plants operated by the association amounted to \$25,087,515, as compared with \$22,428,406 the previous year, the largest increase being in the fluid milk sales, this total being \$13,980,104, as compared with \$8,359,362 a year ago. Ice cream sales increased from \$672,235 to \$935,769.

Throughout the year ending with March 31, 1924, the league management was confronted with a surplus of milk, the supply of fluid milk being much greater than the demand.

Among the developments of the year was the creation of a home division in charge of a trained leader, to work with the women members of the league.

Fifteen new plants were constructed and put in operation by the engineering division.

At the close of the business year it was estimated that the cash, supplies, and merchandise on hand equaled in value 52% of the outstanding certificates of indebtedness, leaving but 48% to be covered by the real estate, buildings and equipment owned by the association.

The view-point of the president of the league relative to the economic functions to be performed by the organization, is set forth in the following paragraph from his annual address:

While this movement did not contemplate nor has it been able to override the law of supply and demand, it has proved conclusively that it can stabilize the markets where the producers are well organized. Modern business is built up out of a series of vast cooperative systems. In America today every business success has been brought about by some form of cooperation, and I can not understand why there should be any hesitancy on the part of the farmer to join in like movements without fear of competition. Is not the test of citizenship of individuals measured by their ability to cooperate, their ability to understand each other, and to work together for a common purpose?

PROVINCIAL GOVERNMENT AIDS STRAWBERRY GROWERS

To assist the strawberry growers of British Columbia in marketing the large crop of berries expected, the provincial government has advanced the sum of \$100,000 to the Berry Growers' Association, Ltd., Vancouver, B. C., according to a recent consular report. This \$20,000,000 industry has been jeopardized by poor prices in recent years on account of a limited market and the shortness of the season, and it is hoped this loan will aid in relieving the situation. A stipulation is made that the fund shall be used solely for the expenses of marketing and preserving, the government to be secured by the entire season's output. It is expected that the surplus will reach between 500 and 1,000 tons this season. Canneries are being established in central locations by the Berry Growers' Association in order to handle the fruit to advantage.

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TWO COOPERATIVES PLAN TO WORK TOGETHER

Representatives of two fruit marketing associations which have heretofore supplied the same market and competed with each other recently met and planned to work together and market their fruit in an orderly manner. One of the organizations is in Michigan, the Onkama Farm Bureau of Manistee County, and the other is in northern Wisconsin, the Bayfield Fruit Growers' Association. Both associations produce red raspberries and both have sought to market their crops in Milwaukee, often with disastrous results. Plans were made at the meeting to sell the berries from both companies through one broker who will inform the cooperatives of the market requirements of different sections and will control all shipments. Additional outlets will be sought and efforts will be made to distribute the fruit systematically and avoid glutting the markets.

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DEPARTMENT OF NEWS AND INFORMATION FOR COOPERATIVES

A department of news and information, in charge of a director of information, has been created within the National Council of Farmers Cooperative Marketing Associations, Chicago, Ill. The first service to be offered by the new department is a "news and information exchange," which is to be a kind of relay station for publicity regarding the agricultural cooperative movement. It is planned to collect interesting information from the various associations, to digest, rewrite and relay it to the publicity men in all parts of the country. It is believed that in this way material prepared for the members of one cooperative organization can be made suitable for publication in the house organs of other associations. It is the announced aim of the management of the service not only to furnish "reprintable" news stories about active associations, but to give also the story of the progress of the movement as a whole.



MINNESOTA POTATOES WILL BE SOLD BY FEDERATED GROWERS

The 16,000,000 bushels of potatoes which the Minnesota Potato Growers' Exchange, St. Paul, Minn., expects to place on the market this season will be distributed through the Federated Fruit and Vegetable Growers', Inc., New York City. The charge for service is limited to the actual cost, and the distributor assumes responsibility for all details, such as traffic and claim departments. The contract is for ten years but may be cancelled at the end of the first year under certain conditions. Two representatives of the Minnesota Growers' Exchange are granted membership on the executive board of the distributing agency.

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WESTERN NEW YORK FRUIT GROWERS CREATE WAREHOUSING CORPORATION

A subsidiary organization has been brought into existence by the Western New York Fruit Growers' Cooperative Packing Association, Inc., Rochester, N. Y., for the purpose of purchasing, constructing, leasing, and operating packing houses and warehouses, factories, or other places, for manufacturing fruit products, and for the further purpose of conducting a general warehouse business with the public.

The Fruit Growers' Warehousing Corporation has been incorporated under the New York State business corporation law, with authorized capital stock in the amount of \$1,100,000. This stock is divided into 4,000 shares of preferred stock of the par value of \$100 per share and 14,000 shares of common stock of the par value of \$50 per share. The common stock is to be sold only to fruit growers under contract to sell their fruit to the Western New York Fruit Growers' Cooperative Packing Association. It may also be issued to managers or employees as a bonus or for services, and will be issued to cover deductions made from returns for fruit for the purpose of retiring bonds or preferred stock. All voting power in the warehousing corporation will rest in the common stock.

The preferred stock may be sold to any person, firm or corporation. It entitles its holders to receive cumulative dividends at the rate of 6%, payable semi-annually. Power rests with the board of directors of the corporation to call in at any time preferred stock for redemption at \$102 and accrued interest.

Provision is made for a deduction of the equivalent of 10¢ a barrel on fruit for the purpose of providing a sinking fund for the retirement of any bonds that may be issued and for the retirement of the preferred stock, to the end that ultimately the bonds and preferred stock shall all be retired and the common stock shall be owned by the fruit growers under contract to the packing association.

The articles of incorporation also provide for perpetual duration, for five directors, and for the location of the business office at Rochester, N.Y.



ALGERIA HAS THREE COOPERATIVE TOBACCO ASSOCIATIONS

Three producers' cooperative tobacco associations in Algeria are reported by the American Commercial Attache, Paris, France. One association near Bona was organized in 1921, and two near Algiers date from 1923. They are considered the most important development of this sort in the colony. They have facilitated arrangements with the French Government for the purchase of the crop and have been active in instructing farmers how to raise improved grades. The society at Bona warehouses and markets the larger part of the crop produced in that region.

These cooperative societies have a ten-year contract with the French Regie by which the latter agrees to purchase a minimum of 2,500 metric tons annually. For 1924 the purchases are to be not less than 14,000 metric tons. Sixteen thousand tons were purchased in 1921, the first year of operation; 4,000 tons in 1922, a year of a very poor crop; and 7,000 tons in 1923. Without the assistance of the French Regie the crops would have been sold with difficulty and at unsatisfactory prices. The number of growers in recent years has been about 13,300. Figures of production for the last decade show a marked increase.

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WOOL HANDLED COOPERATIVELY FOR SIX YEARS

Since its organization in 1918, the Ohio Wool Growers' Association, Columbus, Ohio, has handled 17,925,000 pounds of wool. The largest quantity handled in any one year was in 1921 when clips not previously marketed were delivered with those of the current year. At the same time nearly 300,000 pounds were handled for West Virginia producers and about 100,000 pounds for Indiana sheep men. Figures for the several years are given below:

Year	Wool Handled	Amount of Sales	Net Price
:	:	:	to Grower
:	(Pounds)	:	(Cents per lb.)
1918	275,000	\$ 198,000	72
1919	1,750,000	1,172,500	67
1920	2,625,000	840,000	32
1921	6,750,000	1,947,500	29
1922	2,780,000	861,800	31
1923	3,745,000	1,935,000	50.5
Total	17,925,000	6,954,800	

Net prices to producers varied from 29¢ in 1921, the year when the deliveries were the heaviest, to 72¢ in 1918.

LOCAL ASSOCIATION SERVES MEMBERS IN MANY WAYS

A net profit of \$10,712 is shown by the eleventh annual report of the St. Francis Mercantile Equity Exchange, St. Francis, Kan., for the year ending May 21, 1924. A total of 356 cars of produce was shipped, of which 132 cars were loaded with corn, 101 cars with livestock, 64 cars with wheat, 18 cars with barley, and one car with cane seed. Eighty cars of supplies were purchased, including 20 cars of coal and 15 of lumber, and lesser numbers of cars of building materials, implements, flour and feed, salt, wire, twine, etc.

The total volume of business transacted amounted to \$400,831; cost of goods sold was \$375,825, leaving a gross trading profit of \$26,005. Other income, from livestock commissions and other sources, brought the total gross profit to \$33,758. Expenses reached a total of \$23,046, of which salaries and taxes were the largest items, being \$12,579 and \$2,781, respectively. Paid-in capital stock amounts to \$62,469, and the surplus account is credited with the sum of \$40,421.

Seventy-four percent of all business for the year was transacted with members and but 26% with nonmembers. Fourteen new members were enrolled during the year. The auditor's report showed the sum of \$6,951 to be prorated back to members. The exchange was organized in 1913 with 270 stockholders, all of whom were farmers.

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LIVESTOCK SALES INCREASING EACH WEEK

Weekly sales of livestock at the new Farmers' Union Cooperative Stockyards, Lexington, Ky., are reported to be "far more successful than was ever expected." The amount of livestock passing through the auction ring is increasing rapidly and prices have been "exceptionally good." In many cases the prices received at these sales have equalled and in some cases exceeded the Cincinnati market, besides which the farmers have not had to pay the freight to Cincinnati. At the sale on May 27 the total value of livestock sold exceeded \$14,000. Nearly 1,600 head were sold. On June 3 the sales amounted to \$18,000, and on June 10 to \$25,000. This rapid increase has made it necessary to add another set of scales. The sale of June 10 included 2,300 lambs, 355 hogs, 235 calves, and 259 cattle. At the same sale there was an increase in the number of mules sold, with prices ranging from \$42.50 to \$195.

Three successful sales have been held at the Farmers' Union Cooperative Stockyards at Cynthiana, Ky., although the buildings are not yet completed. These buildings are planned so efficiently that it is expected that many carloads of stock can be handled without confusion or error. The Kentucky Union Farmer states: "It is reported that during the sale of June 5, the management was carried out so smoothly that one hour after the close of the sale, the accounting books were balanced and arrangements made to write and mail the checks to the farmers who sold stock at the stockyards that day."

TENNESSEE SUPREME COURT SUSTAINS TOBACCO ASSOCIATION

On June 7, 1924, the Supreme Court of Tennessee decided the case of the Dark Tobacco Growers' Cooperative Association v. R. H. Mason, in favor of the association. The association was formed under a statute of the State of Kentucky providing for the formation of cooperative associations. Defendant was a member of the association and entered into a contract with it, under which he agreed to sell all the tobacco grown by him for a period of five years beginning with the year 1922. The association claimed that he had breached the contract, and for this reason brought suit for the recovery of \$1,050 as liquidated damages and \$525 for expenses and attorneys' fees. The defendant interposed several defenses to the suit brought by the association, all of which were held to be without merit by the lower court, as well as by the Supreme Court of the State.

The trial court held that the contract signed by the defendant was valid, and that the association was entitled to recover of the defendant 5¢ per pound as liquidated damages for all the tobacco produced by or for the defendant during the year 1922, which he failed and refused to deliver to the association, and further held that the association was entitled to recover of the defendant reasonable attorneys' fees. The court then referred the case to a master to ascertain and report the number of pounds of tobacco which the defendant failed to deliver, and also what would be reasonable attorneys' fees in the case. From this decree the defendant appealed to the Supreme Court of the State. The following defenses were made by the defendant:

1. That complainant was a foreign corporation, and at the time of execution of the contract, for the alleged breach of which this suit was brought, was doing business in the State of Tennessee without having complied with the law, which requires a copy of the charter to be filed in the office of the Secretary of State, and could not, therefore, enforce the contract in the courts of Tennessee.
2. That complainant was a trust, created and acting in violation of the anti-trust laws of the United States, to wit, the Sherman Act, and in violation of the anti-trust law of Tennessee, and for that reason the contract sued on could not be enforced.
3. That the contract was violative of the statute of frauds of both Kentucky and Tennessee.
4. That the contract was unilateral, wanting in mutuality, indefinite and uncertain, harsh, oppressive, unfair and inequitable, and therefore, should not be enforced.



5. That complaintant had entered into certain other collateral and independant agreements and contracts with defendant, which had been breached by it, and, therefore, complaintant could not enforce the contract sued on against defendant.

In answer to the first defense the Supreme Court pointed out that while the contract had been signed by the defendant prior to the time that a copy of its charter had been filed with the Secretary of State of Tennessee, the contract was not accepted by the association until several days after a copy of its charter had been filed with the Secretary of State. In other words, the contract did not become binding until accepted by the association, and, therefore, this defense was held to be without merit.

The second defense to the effect that the association was a trust was based on the testimony of a witness who testified that it was agreed that the association should not function until 66-2/3 per cent of all the tobacco acreage in that territory was under contract. The witness further testified, in effect, that it was desired to "control the crop." He also stated that "the purpose and intent was to maintain a fair, uniform price that would be a profit to the grower . . . and fair to the purchaser." The court found with respect to this matter that the association had not been guilty of seeking unreasonable prices, and that its conduct had been fair and reasonable. In view of these facts the court held this defense without merit.

In answer to the third defense based on the statute of frauds, the court pointed out that while it was true that the contract had not been signed by the association, it had mailed to the defendant a notice showing its acceptance of the contract. In this connection the court said that the statute of frauds did not require that both parties to a contract should sign the identical paper. On account of these facts this defense was held to be insufficient.

The court dismissed the defense that the contract was unilateral and oppressive by calling attention to the fact that it was plain that the contract imposed obligations on both parties thereto, and said that there was no basis for claiming that it was oppressive.

The fifth defense was based on the fact that prior to the time that the association was formed those actively engaged in promoting the association were said by defendant to have held out that the association would advance 60 per cent of the market price of tobacco on its delivery to the association. With respect to this matter the court said that inasmuch as the contract signed by the defendant was silent in regard to this matter, and inasmuch as the representations in question, if made, were made prior to the formation of the association, that it was not bound by them.

L. S. Hulbert.



TRADE-MARKS FOR FARM PRODUCTS

Copies of over 600 trade-marks used by about 300 cooperative associations marketing fruits have been collected by the Division of Agricultural Cooperation of the United States Department of Agriculture. Fruits valued at hundreds of millions of dollars are marketed each year under these marks which guarantee the quality of the products. The marks are the symbols of the business good will of the various associations using them.

Under the trade-mark act of February 20, 1905, a trade-mark which is identical with a registered or known trade-mark, owned and in use by another, can not be registered if applied to merchandise of the same character. Because of this law it behooves the cooperative associations considering the adoption of trade-marks to make a careful search in the registered trade-marks and also among the unregistered trade-marks.

A trade-mark must not consist of scandalous or immoral material, nor must it comprise the flag, coat of arms, or other insignia of the United States, or any imitation of them. Again, a trade-mark must not imitate the flag or coat of arms of the state or municipality of any foreign nation, or of any design or picture adopted by any fraternal organization as its emblem.

It is further provided by the law that any name of distinguishing character adopted by any institution, organization, club or society, which was incorporated in any state of the United States prior to the date of adoption and used by an applicant, shall not be registered as a trade-mark.

No mark which consists merely of the name of an individual, firm, or corporation, not displayed in some distinctive manner, shall be registered. There are several exceptions in the law to this last statement, and under the later practice there are doubtless many valid marks which would fall within the broad terms of the language of the act, but which are nevertheless good trade-marks.

A name which is merely descriptive of the goods or denotes a geographical origin, should be avoided as these trade-marks are not registerable, and in case of court suit may be declared invalid. It is dangerous to employ a mark which is too descriptive of the goods to which it is applied.

Geographical trade-marks are often held invalid and are not registerable. The trade-mark "LACKAWANNA" for coal was declared invalid by the United States Supreme Court as descriptive of the Lackawanna Valley from which the coal came.

Agricultural Cooperation, June 30, 1924.

